

EMERALD BAY MUNICIPAL UTILITY DISTRICT
FINAL AND APPROVED
MINUTES OF REGULAR MEETING
MARCH 19, 2007

The Board of Directors of the Emerald Bay Municipal Utility District met in regular session on Monday, March 19, 2007, at 10:00 a.m., at the Emerald Bay Club, Emerald Bay, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, and Howard Rutherford. Director Bob Worsham was absent. Four Emerald Bay residents were also present.

President Harris called the meeting to order at 10:00 a.m. and asked for comments on the Minutes of the February 19 meeting. **Director Hartley made a motion to accept the Minutes as written. Upon second by Director Harris, said Minutes were approved by unanimous consent.**

A summary of the February financial statement was presented by Treasurer Hartley. The accounts receivable collections were low because the Club's computers were down and monies were not distributed until March. Under sewer system operations, net income was \$3,041 more than budgeted for the month even though expenses were over budget by \$1,448. Property tax collections were \$5,411 more than budgeted. Under the water system operations, net income was \$2,527 less than budgeted. As the water system has only been operational since August 2006, the District has no historical data upon which to base its budget forecasts. **Upon motion (Hartley) and second (Rutherford), the February financial report was approved by unanimous consent.**

Director Rutherford updated the Board on the District's field operations. Wilkins Contracting (Dale Huffman) will assume responsibility for periodic maintenance and lubrication of sewer plant blowers. Rutherford will monitor the flow through the manhole at the Henry Drive lift station and flush or jet the lines to the #3 lift station. This should be handled by RotoRooter within the next 30 days. Repairs to the Henry Drive lift station piping are complete, but a pop-off valve will be installed as a precaution. New floats have been installed at the #6 lift station on Williamsburg. Connection of the sewer line to the new residence (Cordova) on South Bay is pending resolution of a water flow problem. Wilkins Contracting must shoot the depth of the manhole before connecting the sewer line to manhole and it may be necessary to raise the line 9" to get the line to flow properly. Operator, Dale Huffman, must respond within the next 30 days (by April 6, 2007) to the TCEQ regarding the District's filing of an annual sludge summary report to avoid penalties.

Director Harris updated the Board on the District's plant operations. He noted the chlorine building wiring is complete and one chlorinator is operational. Mr. Harris

added the contact chambers would be drained to look at baffling and hook up the chlorine drip system as originally designed.

BLOC spent two days tracing the wiring at the golf course pump house to diagram the schematic for the fire control system (provided at no charge). Mr. Harris has ordered a new solenoid to fix the pump on golf course hole #16 for the Emerald Bay Club. Mr. Harris asked Athens Buildings to submit a proposal to construct a small building to house/insulate the pump on #16.

Expansion of the District's office/plant facility is underway and the foundation for the building should be constructed the week of March 19. Due to an overheating problem, the SCADA system computer is being replaced and a fan installed to cool the unit. Also recommend installation of a failsafe program to safeguard the SCADA system in the future.

Mr. Harris has met with Club directors to suggest budgetary planning for drilling a water well to service the golf course, obtaining an easement from the District for such well site, and purchasing a recirculation cleaning system for the golf course maintenance facility. There are two environmental officers patrolling Smith County assessing fines/penalties for violations.

The District will host a town hall meeting on Sunday, April 15, 2007, at 5:00 p.m. at the Emerald Bay Clubhouse to offer an alternative electric service provider. A representative of the District's aggregator (MH&KP) will explain in detail how electric power works within the State of Texas and how this community might be able to take advantage of aggregate buying to substantially lower residential electric power costs.

There being no further business, the meeting was adjourned at 11:03 a.m. upon motion duly made (Harris) and seconded (Johnson) with unanimous consent.

Respectfully submitted,

Deena M. Johnson
Secretary

William F. Harris
President

Attachments:
Financial Statements 2/28/07
Project Punch List